

Kentucky Freight Advisory Committee for Transportation (KFACT)

April 26, 2017 – 10:00 AM to Noon CDT

Minutes Approved by KFACT (date): _____

The meeting of the Kentucky Freight Advisory Committee for Transportation (KFACT) was called to order at 10:00 am on April 26, 2017 at the Bob Kirby Branch of the Warren County Public Library in Bowling Green, Kentucky.

The KFACT Members (or their representatives) in attendance were:

Asa James Swan – KYTC

Lori Kelsey – KIPDA

John McCauley – Ky. Department of Agriculture

Kevin McEwan – Paducah and Louisville Railway (o.b.o. Tom Garrett)

Kim Menke – Toyota Georgetown

Glynn Powers – Ky. Trucking Association (o.b.o. Guy Young)

Greg Pritchett – Ky. Association of Riverports (o.b.o. Greg Pritchett)

Jeff Wafford – UPS Airlines

Welcome and Introductions

Attendees introduced themselves. Kentucky Transportation Cabinet (KYTC) Chief of Staff Asa James Swan welcomed all attendees and outlined the Cabinet's mission of being Predictable, Accountable, and Responsive (PAR). This includes using the SHIFT process to enable the Cabinet to explain to legislators the difference in projects completed when levels of funding change. He emphasized that the nature of freight is changing rapidly and planning is essential to meet future needs. State Highway Engineer Patty Dunaway emphasized the importance of the goods and people that travel on Kentucky's highways and the Cabinet's goal to move both freight and people as safely and efficiently as possible.

Round Table Discussion of Freight Issues

Juva Barber, Executive Director of Kentuckians for Better Transportation, moderated a round table discussion of freight issues. She introduced the discussion by noting KYTC needs input from users of the network and is looking to use KFACT to better coordinate the transfer of information to KYTC.

Greg Pritchett of Henderson Riverport discussed movement of freight, particularly fertilizers, grains and metals, by water. He noted that the rivers and most Kentucky riverports are underutilized and could be used to reduce highway congestion as Europe has done. While there is some cost for updating and maintaining infrastructure on the rivers, it would only be cents on the dollar as opposed to the millions required to build new bridges. The United States Army Corps of Engineers maintains the locks and dams on the inland rivers and their challenge is availability of funding on a continuing basis. These structures are important for public water supplies and hydroelectric generating capacity as well as transporting of freight. Another issue for the riverports is the difficulty of dealing with the railroads which prefer to deliver to larger volume locations like Louisville instead of to the riverports which provide smaller railroad freight volume. Besides navigation, other benefits of the river system are electricity and fresh water supply.

Glynn Powers, Director of Safety for the Kentucky Trucking Association, told the group that truckers move the majority of freight. Their number one issue is truck parking. Truckers are parking on

shoulders on the interstates because rest areas were built with little or no truck parking. Commercial Vehicle Enforcement is looking into obtaining data on overnight use of the existing truck havens. The trucking industry's second issue is the four-hour limitation on truck parking at public facilities in Kentucky while federal regulations mandate an eleven hour rest period. Their third issue is the shortage of commercial vehicle enforcement personnel and the use of existing officers to respond to non-trucking calls. Kentucky State Police has hired additional vehicle inspectors but there is a need, especially in rural areas, for officers having the authority to ensure that truckers are paying their taxes appropriately. Kentucky has a three tier tax structure which is not like other states so truckers may not understand what they are supposed to pay. Truckers would like to see the scales open longer hours to improve payment of appropriate taxes.

While introducing Jeff Wafford of UPS Airlines, Ms. Barber noted that Kentucky ranks third in the nation for air freight. Mr. Wafford discussed the growth in air freight at both Louisville and Covington airports. He noted that companies have set up distribution centers around the Louisville airport in a large area from Elizabethtown to Hebron. While good for the economy, this causes additional traffic on the highways. Congestion will continue to increase in those areas requiring continued investment in roads, bridges, and rail facilities. He noted that use of multimodal facilities will increase. For example, while goods may be shipped to customers by air, rail may be used to stock the distribution centers. He also stressed that governments should keep an open mind concerning use of drones. The FAA will regulate them as needed and they could prove to be an important part of a multimodal network.

While introducing Kim Menke, Manager of Community and Government Relations at Toyota North America, Ms. Barber noted that Kentucky is third in the nation in automobile manufacturing. Mr. Menke told the group that Toyota has a lot of suppliers and not all can be within a short distance of the central factory. All are working to be as efficient as possible in delivering their goods but need flexibility in order to meet the demands of Just In Time inventories. The incoming raw materials and outgoing finished goods share the highways with folks commuting to work. The Brent Spence Bridge is an issue for Toyota Georgetown. Other states allow different configurations for trucks to better distribute heavy loads and also to allow transport over different highways. Asa Swan noted that roads handling the heavier loads are more expensive to build and Kentucky only has about \$300 million to fund highway needs.

Kevin McEwan of Paducah and Louisville Railway told the group that rail is the only mode of transportation that is self-financed. They are willing to continue to finance their own networks but, with assistance, could speed up improvements. Paducah and Louisville Railway's rail network consists of segments that were abandoned by Illinois Central (before its acquisition by Canadian National). Ebonite, the largest producer of bowling balls, is located in Hopkinsville, Kentucky because of the access to the multimodal freight transportation network (four-lane highway and rail connection) for delivery of raw materials and finished products. It was noted that the Kentucky legislature has provided \$1.6 million per year for highway-railroad crossing improvements.

John McCauley, Director of Agriculture Policy at the Kentucky Department of Agriculture, told the group that the Department is working with the U.S. Congress to develop and enact the 2018 farm bill. Of the \$6 billion in annual international trade, agricultural products contribute \$2 billion in annual exports. For this freight to be transported, it is critical for the freight network infrastructure (including locks, dams, highway, and rail) to be maintained and improved.

Rick Bender of the Kentucky Department for Energy Development and Independence responded to the railroads that pipelines are another mode of transportation that is self-funded. He informed the group that energy resources are shipped by pipeline or rail modes. Oil, gas, and gasoline are moved by pipeline making them important freight facilities. The trend over the last few years has been for the public to attempt to shut down current pipelines or stop construction of new ones in an effort to stop fracking activities in an area. Kentucky has one of the largest natural gas reserves in the world in the Rogersville shale in eastern Kentucky. As natural gas usage increases and coal usage decreases, more pipelines will be required to transport the additional supplies of natural gas.

Lori Kelsey is the freight planner for the Louisville Metropolitan Planning Organization (MPO). Every urbanized area with at least 50,000 population is required to have an MPO. Those organizations are in the middle of the freight interests because most freight sources are located within urban areas and making regular shipping decisions considering whether to utilize air versus intermodal rail versus pipeline versus riverport. Freight impacts in the MPO areas include increasing users of the highway networks resulting in greater congestion, first and last mile freight connections, short-term parking within the urban area for freight deliveries, freight vehicles in residential areas, crashes, and air quality issues. To address these impacts, the MPOs 1) partner with managers for consistent planning and best resource management, 2) emphasize consistency over time as the considerations change from the needs of people to the needs of both freight and people, and 3) partnering with freight users. Mark Policinski, Chief Executive Officer of the Ohio Kentucky Indiana Regional Council of Governments (OKI), was asked about freight issues in OKI. He commented that the Brent Spence Bridge is within the OKI MPO area. He noted that with Amazon Prime locating at the Covington airport, it will be necessary to invest in the land surrounding the airport in order to improve highway access for its customers. DHL is already located at the Covington airport and is the ninth largest cargo mover in the U.S. He further noted there is not much need for a 20-year freight plan when technology is changing so quickly.

The meeting was adjourned at noon.